

**CHANGING FACES**  
**A Registered Charity**  
**A Company Limited by Guarantee**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31st MARCH 2017**

haysmacintyre  
Chartered Accountants  
Registered Auditors  
London

Registered Charity number: 1011222  
Company Registration Number: 02710440  
Charity registered in Scotland: SC039725

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## **An Introduction from the Chair of Trustees, David Clayton**

### **A satisfying year and the start of a major transition for Changing Faces**

Changing Faces set out to make 2016-17 a consolidating year with much attention being paid to what could be achieved in marking the charity's 25th Anniversary year in 2017. Those goals have been achieved – and the UK's first Face Equality Day on 26th May 2017 was a great success.

However, there were many challenges to the charity during 2016-17 in meeting the ever-growing need for its services, in tackling the lack of knowledge and confidence around disfigurement in statutory services and in advocating for fair treatment for people with disfigurements in the media, schools and at work. In common with many charities, the economic uncertainties of the year (especially after the Brexit vote) were unsettling and we have all our donors to thank very sincerely for their sustained commitment to our cause.

It has also been a year when we have sought a successor to James Partridge, our founder and Chief Executive. After a diligent search, I am delighted that Becky Hewitt, currently Communications Director at Girlguiding, has agreed to be our new Chief Executive from September 2017. James Partridge will stay closely connected to Changing Faces in the future and research the potential for the charity to spread its presence internationally.

Becky Hewitt said: "It will be a huge privilege to lead a charity that is so dedicated to securing positive change for people with disfigurements. I am very much looking forward to working with Changing Faces' brilliant staff and volunteers to drive further excellence and reach in their services and continue to be a bold and outspoken voice for social change."

This heralds a major transition for the charity in 2017-18. The Trustees and staff are determined to build on James' legacy and to be a strong voice for people with disfigurements into the future. I hope you will want to support our cause. Thank you very much indeed.

### ***Trustees***

David Clayton (Chair)

Dr Richard Castle

Dr Tony Cline

Pieter Folmer

Dr Mary Glover

to 22nd November 2016

Susan Harrison

Victoria Hunt

Mark Landon

Dr Felicity Mehendale

to 5th August 2016

Mike Okninski

to 22nd November 2016

David Rough

Nicola Sawford

His Honour Judge Paul Thomas QC

Chris Walker FRCS

### ***Chief Executive***

Dr James Partridge OBE

Until 5th September 2017

Becky Hewitt

From 5th September 2017

The Directors and Trustees (henceforth referred to as the Trustees) of Changing Faces submit their Annual Report and Financial Statements for the year ended 31st March 2017. The financial statements have been prepared in accordance with the Charity Commission's "Accounting and Reporting by Charities: Statement of Recommended Practice" (SORP 2015), applicable law and the charity's governing document.

## A. Report of the Directors/Trustees

### A1. Changing Faces – why we exist, our vision, ambition and programmes

#### ***Why Changing Faces is needed***

There are many reasons why people acquire disfigurements to their face or body such as birthmarks, cleft lips/palates and cranio-facial syndromes, scarring from accidents, burns, violence, self-harm and warfare, cancer and its treatment, eye and skin conditions, and facial paralysis. All of these can affect a person's appearance making their face or body look different, unusual, scarred or asymmetrical, or causing it not to function normally.

It is estimated that over a million children, young people and adults are affected in the UK, including 569,000 with facial disfigurement (1 in 111 of the population).

Modern medicine and surgery is increasingly sophisticated but it can rarely remove a disfigurement completely. People therefore have to live with an appearance which, they report and research confirms, attracts intrusive attention, staring, ridicule, low expectations, patronising remarks, harassment, bullying and rejection. Everyday situations like walking down the street, going on public transport, making friends, starting school, taking part in social and sporting activities, forming intimate relationships and finding jobs can be overwhelmingly difficult. In today's highly looks-conscious society, people with facial and other disfigurements are vulnerable to debilitating self-consciousness and social anxiety, depression, low self-esteem and diminished self-confidence.

They are also subject to prejudice and discrimination because public attitudes towards people with disfigurement are still pervasively negative. This can cause them to feel socially isolated, sometimes suicidal, resigned to an uneven playing field and the lack of enforcement by the regulators and other bodies, and to be un- or under-employed or unable to achieve their potential.

In the UK and worldwide, professionals and policy makers in the health and education systems and in the workplace admit that they fail adequately to embed disfigurement-confidence and address the psychological and social challenges faced by men, women and children with disfigurements.

**This situation is unacceptable and unfair. It is the subject of all the charity's work.**

Since 1992, Changing Faces has helped directly many thousands of people with disfigurements and their families to face the future with more confidence – and many more indirectly via the NHS and in schools. By influencing public attitudes through the campaign for 'face equality' (like race equality), media coverage and work in schools and businesses and with Government, it has also started to bring disfigurement 'out of the shadows'. It successfully lobbied for disfigurement to be covered by the Disability Discrimination Act (1995) and the Equality Act 2010.

The charity aims to work alongside and complement the work of many individuals, professionals and organisations; there is no other charity worldwide with the remit, professionalism and track record.

#### ***Our purpose***

Changing Faces began its work in 1992 to create a better and fairer future for people with disfigurements. Changing Faces is here to help people who have a disfigurement find a way to live the lives they want. We are caring campaigners – caring and empowering in supportive, friendly, positive and inspiring ways, and campaigning in our education and advocacy work by being forthright, informed, counter-cultural and determined.

We are here to help people conquer fears, take the first steps and ultimately take control, by being on a client's side and by their side as they define their own sense of identity, their purpose and realise their dreams. We help build people's confidence to live their life on their terms. And we challenge prejudice, respect differences and speak to a world that needs to change.

#### ***What we want to achieve***

Our vision is an enlightened society that fully accepts and values people with disfigurements.

- We want each person who has an unusual appearance to be engaged fully in living their life without the anxiety or fear of potentially being ignored, physically or verbally abused, harassed, restricted, rejected or ejected.
- We want to see a world which consciously assumes that anyone with a disfigurement is capable of achieving at school, finding love, reaching their career goals or simply going to the pub with their friends on a Friday night.
- A world where people positively welcome a new baby with a cleft lip and palate, invite the school friend who has Apert's syndrome to their child's birthday party, and hear what an interview candidate who has vitiligo is saying.
- We want every teacher to have the same level of ambition for a pupil's academic future, whether they have a disfigurement or not.
- We want every employer to address their unconscious bias and behaviours so these do not influence their judgement when looking at someone's suitability for a role or promotion.
- We want everyone who shapes our culture to commit to rejecting and discarding centuries-old myth and stigmatising language and imagery, which are the origins and excuses for disfigurement prejudice and discrimination.
- We want nothing short of a complete re-framing of disfigurement which tells the truth about this experience and acknowledges people's rights to acceptance on equal terms.

#### ***What we do***

- We support adults, children and families to live confident, happy lives
- We train health care professionals to provide our unique package of support alongside medical treatment or surgery
- We educate and inform businesses, the NHS and public bodies, schools, and the media to develop new beliefs, expectations and practices
- We influence opinion formers to ensure our important message is heard
- We challenge the public and policy makers to think differently and create a fair society
- We stand up to prejudice wherever it appears and lobby for stronger anti-discrimination laws.

Changing Faces is a £1.8m income charity that employs around 40 staff, supported by hundreds of volunteers across the UK. The team includes professionals from psychology, social work, counselling, teaching, economics, human rights law, local government, management, PR, communications and fundraising. In 2016-17, we managed our work under two programmes, Changing Lives and Changing Minds, from our HQ and our Centres in Yorkshire and Scotland.

Changing Lives aimed to improve the confidence and independence of people of all ages with disfigurements (and their families) through our psycho-social support, our volunteer-delivered Skin Camouflage Service, and online self-help guides. We also trained professionals in health care and advocated for NHS services that fully address psycho-social concerns.

Changing Minds promoted 'face equality', advocating fair treatment for all irrespective of their appearance by raising public awareness, challenging public attitudes and countering public examples of facial prejudice, ridicule and stigma, influencing the education sector and employers to create inclusive environments, and lobbying for sound anti-discrimination laws and enforcement.

All our activities are informed by robust evidence and the views of our users.

#### ***Our values***

- Equality: We challenge face and body prejudice and demand fairness
- Confidence: We help people embrace their appearance and realise their potential
- Unity: We work together and collaborate with clients and others to make a bigger difference
- Rigour: We have high professional standards and are evidence driven.

**A2. Headlines of the year – and a brief look forward**

In 2016-17 in line with our strategic vision of being a UK-wide ‘catalyst for change’ for people with disfigurements and their families, Changing Faces provided support, information and advice to thousands of people in need of help, advocated strongly that such help should be available from the NHS, and ratchetted up our campaign for face equality in schools and workplaces and by challenging many examples of prejudice and ridicule in the media and social media.

The top six headlines of Changing Faces activities in 2016-17 were:

- Just over 1,000 people with disfigurements and their families were provided with support, information and advice from our psycho-social services
- Over 2,500 NHS patients with birthmarks, scars and skin conditions were seen by our Skin Camouflage Service
- We launched our first e-training module for health professionals in primary care and dermatology who work with patients with skin conditions (<https://www.changingfaces.org.uk/changing-faces-launches-new-training-module-health-care-professionals-skin-conditions>)
- We achieved superb coverage on the BBC's Victoria Derbyshire show of our work in schools, in which we called for much more to be done to promote ‘face equality’ in schools and highlighted one school where we have been working (<http://www.bbc.co.uk/news/uk-38108698>)
- We successfully challenged facial prejudice in the media on many occasions such as when a Twitter user had his photo used in a cruel meme and we highlighted the case with Police Scotland and generated a number of online news stories about the case
- We were very active on all social media platforms and our website received over 175,000 visitors – greatly benefitting from the refreshed branding of 2015-16.

We were able to do all this because of the great generosity of hundreds of individuals, companies and charitable trusts which gave us a total of £1.8m in the year. We also successfully negotiated a new method for being funded for the Skin Camouflage Service that we provide to the NHS – which, although there are still teething problems and considerable unpaid invoices, promises a sounder basis for this Service in the years to come.

**Key Performance Indicators**

The following key statistics summarise our activity this year:

<b>CHANGING LIVES</b>	2016-17	2015-16
Support Service - Adults, children, young people and families	1,002	977
Skin Camouflage Service – clients seen	2,530	3,326
Total Clients	3,532	4,303
Online Self-help guides accessed	17,500	16,214
Health Professionals trained	108	134
Health Professionals reached	2,100	53,000*

\* 2015-16 includes reach for articles published

<b>CHANGING MINDS</b>	2016-17	2015-16
Website unique visitors	175,545	172,097
TV, radio, press articles	83	71
Average Facebook engagement (Average for charities 3%)	14%	17%
Monthly e-newsletter subscribers	7,400	5,800

We believe this is solid evidence of the breadth of our work with children, young people and adults with disfigurements, and their families, with professionals and policy-makers, and our influence on the wider cultural and social environment.

### A3. Our achievements and performance in 2016-17

We now report on our charitable work under three headings answering the key questions: **what is it?, why do we do it?, what did we say we would do?, what did we do? And what impact did we make?** We will then outline the main infrastructure developments of the year.

#### **A3.1. Changing Lives from our London HQ** *costing £390k; 21% of total expenditure*

Our Changing Lives programme had three components in 2016-17 – providing support, information and advice, evaluating all our services, and training and advocating for better health care.

#### **1. What? Providing people with disfigurements and their families across the UK with support, information and advice** through our Changing Faces Practitioners delivering our FACES package and via online self-help guides.

**The FACES Package** is tailored by Changing Faces Practitioners to each individual or family and enables them to adjust successfully to living with a disfigurement or to supporting their child. Our experience and independent research confirms that this adjustment is facilitated if people can:

- **Find out** so that they have realistic information about their condition and its treatment
- Gain a positive '**Attitude**' about their future built on resilience and determination
- Cope with their **feelings** by discussing them with family, friends or a Practitioner/professional
- **Exchange** and share their experiences with and learn from others in similar situations
- Strengthen their **Social skills** to manage other people's reactions and make new friends.

**Why?** Because people with disfigurements to their face and body and parents/families contact Changing Faces because they are unhappy, isolated or lacking confidence. They frequently say that their emotional needs have not been addressed by the NHS, a fact which many clinicians are aware of. But as there is no statutory requirement for psycho-social help to be routinely provided, these gaps are very unlikely to be filled by the NHS any time in the near future.

**We said?** 600 people would be supported directly by email, phone or face-to-face by our London-based CFPs and at least 16,000 would access our online self-help resources from our new website.

**We did?** This was more than achieved with 909 people and families supported and 17,500 people seeking our online guidance.

**Impact?** Our evaluation systems indicate that this work has direct and indirect benefits to our beneficiaries.

Our Data Analysis for 2016-17 found that 82% of people supported by a CFP improved significantly against their goals (by moving up at least 1 point on a 5 point scale). No one deteriorated.

98% of people surveyed about the information and signposting support they received rated it as 4 or 5 out of 5 for helpfulness.

#### **2. What? Ensuring quality, monitoring and evaluation** of our support, information and advice, and skin camouflage services and pioneering new ones.

**Why?** Our fundamental commitment to underpin all we do with rigorous research and evaluation is embedded on our values and goes back to the charity's launch in 1992. That involved working with researchers at the University of the West of England to demonstrate that psycho-social problems existed and could be effectively tackled which in the late 1990s, led to the creation of the Centre for Appearance Research, now a world-leading research centre.

**We said?** We would ensure quality, monitoring and evaluation of all our services and sustain our 'proof of concept' project to evaluate the value of positioning CFPs in the NHS.

**We did?** This was not achieved in 2016-17. Although we have invested in implementing the salesforce database system across the charity's activities and have sound data collection systems in place, we have not made the needed investment in maintenance and continuous improvement of data collection, or production of an annual services audit. In 2016-17, this was again impossible due to financial constraints. Within our resource constraints we conducted a high level Data Analysis for 2016-17.

The proof of concept project at Sheffield Children's Hospital, Great Ormond Street Hospital (GOSH) and Salisbury Hospital has continued well with an evaluation framework designed by psychologists at Sheffield University. A report is due in autumn 2017.

**Impact?** It is vital to be able to evidence the value of our services and learn from feedback etc. Without that evidence, we cannot demonstrate that value to donors and supporters nor properly monitor our team's activities.

3. **What? Training of health professionals and advocating for improved integrated health care.** We offer professionals study days and resources, influence the training curriculums of medical and nursing specialists and seek to embed CFPs into the NHS. We advocate for integrated health care that fully addresses psycho-social issues by making our voice and the voice of our users heard in as many policy-making settings as possible.

**Why?** We train health professionals about the psycho-social issues their patients are likely to experience and how they can be addressed, prevented and ameliorated. Our advocacy aims to influence the standards of care in the main medical specialties treating people with disfigurements such as maxillo-facial or plastic surgery, oncology, dermatology and neurology.

**We said?** We would train 750 health professionals and extend our advocacy to 2,500 GPs and dermatologists through our Look at Me campaign – and we aspired to secure funding to grow health professional training and e-learning.

**We did?** We intended to reach the target of 750 health professionals through a combination of training events and new e-learning resources. Training events went as planned, for 108 health professionals through study days co-ordinated by the charity, lectures including at the Royal Marsden Hospital, the Junior Maxillo-facial Surgery trainees' conference, the Scar Academy symposium at Barts Hospital, the Scar Management Day organised by the British Association for Dermatology and at a work Head and Neck Cancer professionals at Northwick Park Hospital. We also participated in the recruitment of trainee plastic surgeons in collaboration with Health Education England.

However, we did not reach the target for the new e-learning module for health professionals in primary care and dermatology who work with patients with skin conditions. This was launched, as planned, with strong support from our corporate partner, BMJ (<https://www.changingfaces.org.uk/changing-faces-launches-new-training-module-health-care-professionals-skin-conditions>) but some technical issues were experienced for prospective learners on the BMJ website, which have hampered a wider roll-out.

The launch of the e-learning module was supported by Professor Maureen Baker, Chair of the Royal College of GPs:

*"Skin conditions can seriously impact on our patients' mental health and wellbeing, and as we strive for parity of esteem between physical and mental health, this is something we must take into account. GPs are highly trained to treat the whole person, taking into account physical, psychological and social symptoms when making a diagnosis, and this e-learning module from*



*Changing Faces will be invaluable in supporting us to apply this effectively for our patients with skin conditions, and ensure they receive the holistic care they need."*

We extended our advocacy to 2,100 GPs, dermatologists and allied professionals attending 10 key dermatology and primary care conferences across the UK including the British Association for Dermatologists, the British Dermatology Nursing Group, the Royal College of General Practitioners' Conference, a Skin Symposium at the London College of Fashion and the UK Psychodermatology meeting. We also had articles published in the Dermatology Practice Journal and were part of the British Medical Journal's judging panel for the BMJ Awards 2016 ensuring that the psychosocial aspects of dermatology were represented and understood. We also continued to contribute to the Dermatology Council for England, the All Party Parliamentary Group on Skin and the British Association for Dermatologists' Patient Support Group Network.

**Impact?** Anecdotally there continues to be much more awareness within the dermatology community especially on the impact of a changed appearance on an individual with a skin condition. The feedback from our training sessions was very positive. A clinical nurse specialist in dermatology, for example, took away our pre-discharge 321GO tool and now uses it in clinic on a daily basis.

#### **A3.2. Local services and influence**

*costing £928k; 50% of total expenditure*

Our local activities in 2016-17 focused upon the Skin Camouflage Service and our two Centres in Yorkshire and Scotland.

- 1. What? The Skin Camouflage Service** advises people with disfigurements on skin camouflage cover-creams (available on GP prescription) and helping alter the appearance of whatever condition, mark or scar is causing them concern. This is done by the trained volunteers of our Skin Camouflage Service, managed and administered from our London HQ. Each volunteer Practitioner completes a three-day training programme run by Changing Faces which is accredited by the Royal College of Nursing. Volunteers are required to be re-accredited every three years.

Each clinic appointment lasts for roughly one hour and a volunteer will typically offer two to four appointments to clients in each monthly clinic. The aim of the one-hour consultation is that the client leaves knowing which products to use. Once the product match has been identified by the practitioner – a skill that is learnt during their training programme – they teach the client the techniques that are required in applying and removing the cream.

**Why?** People contact or are referred for skin camouflage advice who have a range of disfigurements but the most common causes are scarring from acne, self-harm or burns, birthmarks and vitiligo and other skin conditions. About 40% of people who use the service are aged 25 or under. For many of these people, it's not easy to look in the mirror – and dealing with the responses of others adds to the challenge. Skin camouflage creams can help them to alter the appearance of whatever condition, mark or scar they have – and the empathy of the volunteer supports them too.

**We said?** We would offer 4,000 Skin Camouflage Service appointments across the UK and deliver to a total of 3,000 clients.

**We did?** We offered 3,300 sessions across the UK and delivered to just over 2,500 clients.

**Impact?** In a sample of clients who had received skin camouflage:

- 90% said the service had helped them to manage their appearance related concerns
- 100% found the service helpful

#### 2. What? Supporting and advocating for people with disfigurements via our Centres:

- Our Centre in Edinburgh promotes psycho-social help for people with disfigurements, especially children and young people and their families, advocates for best practice in the many NHS specialties involved in their care, and provides a programme for educating teachers and schools on face equality
- Our Centre in Sheffield provided support, information and advice help for adults, children and young people with disfigurements and their families.

**Why?** Changing Faces' first regional Centre for people with disfigurements opened in Sheffield in 2013 and the second in Edinburgh in early 2015. They were strategic responses to years of consistent requests from our users across the UK that we make our services more readily available outside of London. Each Centre aims to provide or promote at regional/national level the services and, if possible, the advocacy which was previously only undertaken from our London HQ.

**In Yorkshire, we said?** We would provide support for 500 people and families from our Centre in Yorkshire.

**We did?** We did not support as many people as planned: a total of 302 clients; 93 clients in our Yorkshire and the Humber Centre, and a further 209 children and families with face-to-face support, information and advice via our Changing Faces Practitioner based in Sheffield Children's Hospital.

We ran a programme of workshops for individual adults, children and families:

- Explore Grow Thrive: two sets of this new creative workshop in July and November 2016
- Communicating With Confidence: in January 2017

**In Scotland, we said?** In our Centre in Edinburgh:

- A new Changing Faces Practitioner for children and young people (CFP(CYP)) would be installed in the Royal Hospital for Sick Children in Glasgow
- 50 schools would be reached and trained on face equality.

**We did?** The Glasgow CFP was successfully recruited and started in post in February 2017.

Our Face Equality Adviser in Schools was welcomed in 53 schools.

#### Impact?

Our Data Analysis for 2016-17 found that 82% of people supported by a CFP improved significantly against their goals (by moving up at least 1 point on a 5 point scale). No one deteriorated.

In Scotland, staff and pupils have reported that Changing Faces workshops have increased their understanding of face equality and positively influenced their approach to appearance-related bullying. For example, 34% of pupils said that they were unsure or wouldn't know where to look or how to behave if they met someone with a disfigurement before a Changing Faces workshop. After the workshop only 7% of pupils reported that they would not know or be unsure about how to behave. Feedback from schools has included the following:

- *"I have learned that everyone should be treated the same and have become more confident on this subject."* – Primary school pupil
- *"The training was particularly helpful in providing advice, suggestions and strategies to support pupils with visible differences."* – Teacher

#### **A3.3. Changing Minds from our London HQ**

*costing £187k; 10% of total expenditure*

Our Changing Minds programme had three components in 2016-17 driven by a small team and supported by our champions: supporting teachers and schools to promote face equality in schools, advocating for face equality in workplaces and in customer service, and challenging the social and traditional media to respect face equality.

**Why?** The rationale for all of this is that research and the 24 years of Changing Faces' experience confirm that children and adults with disfigurements are not treated fairly in Britain's looks-obsessed culture. Their opportunities are restricted and their risk of low self-esteem and poor mental health is much higher than the general population's.

Why does this happen? Our analysis is that facial prejudice (which underpins disfigurement discrimination) is deeply rooted in the public mind. In 2008, an independent study of public attitudes showed that whilst claiming not to treat people with facial disfigurements unfairly, nine out of 10 people found it very difficult to associate positive characteristics to them. They were judged less attractive and should not expect as much from life, were less likely to succeed and were less easy to be with in social encounters.

We believe that such unwitting prejudice allows and legitimates negativity, unfairness and low expectations to people with disfigurements in the media, at work and many settings. There is also some evidence that unfamiliarity is at the heart of such prejudice. When people have undertaken the same public attitude test after exposure to the Changing Faces website, the extent of the bias was reduced somewhat. But for most people with disfigurements, the unfairness is an everyday experience restricting their opportunities and ability to make choices and fulfil their potential.

Since 2008, Changing Faces has been active in tackling the sources of unfairness in Britain under the campaign banner of 'promoting face equality'. Face equality is about being treated fairly, with respect and equally irrespective of your facial appearance. It is about creating a society in which everyone is valued for the unique contribution that they can make.

#### **1. What? Supporting teachers and schools to promote face equality in schools.**

**We said?** We would support teachers and schools with two articles, five education resources, a schools survey and e-resource.

**We did?** We produced the five resources as planned, including new resources for teachers about the book 'Wonder' (by RJ Palacio) which pioneered online in-service training for teachers to enable them to deliver lessons on appearance and difference with more expertise and confidence. We worked collaboratively with a range of schools with some illuminating results and produced a new resource about facial injuries linked to both our new page on World War 1 (WW1) facial injuries in the Never Such Innocence book for teachers, and to Exeter University's WW1 resource for schools.

We also worked closely with the National Media Museum on their In Your Face exhibition which ran throughout the summer of 2016; we were involved in helping to develop their approach to faces and looking at faces including their communications and activities for the visitors particularly children and young people.

For Anti-Bullying Week 2016 we developed a new resource that equipped children at school to tell their friends, classmates, teachers and others exactly what kind of support they wanted.

We also continued to influence key decision-makers including the Equality and Human Rights Commission (EHRC), key academics including from the University of Wolverhampton, University College London and the Anti-Bullying Alliance.

**Impact?** The work done particularly on the 'Wonder' resource was taken up by the BBC's Victoria Derbyshire Show and an Implicit Attitude Test (IAT) conducted for the Show at Tetherdown School in North London showed very good outcomes. The pupils showed negligible implicit bias against people with disfigurement after they had received a training session from Changing Faces. This provides an excellent foundation for the development of further education work to develop confidence and equality towards people with disfigurement in the education context.

#### 2. What? Advocating for face equality in workplaces and in customer service.

**We said?** We would provide 15 activities/sessions with employers and have engagement with 50 employers.

**We did?** We conducted 15 activities with employers and had 28 engagements with new and pre-existing clients. Most notably, we developed an e-learning resource with Specsavers in response to a difficult customer service interaction. This is currently being rolled out to their stores across the UK. We also engaged with ACAS, Clear, the Bar Standards Board and the Institute of Employability Professionals and gave a keynote at the Business Disability Forum's annual conference.

**Impact?** Feedback from the training developed with Specsavers for staff in over 700 stores includes "Users tell us that they are now much more likely to consider their actions and language – 73% say they now feel very comfortable about how to react when helping a customer with an unusual appearance. It's normal to react to someone who looks different – what matters is how to manage that reaction."

#### 3. What? Challenging the social and traditional media to respect face equality.

**We said?** We would extend our social media impact to promote positive treatments and outlaw stereotypical portrayals of people with disfigurements by challenging 12 instances of negative public portrayal and aspirationally, we would plan for the Face Equality campaign to grow and conduct new surveys of public attitudes.

**We did?** This has been strongly achieved; here are some headlines:

Over the summer of 2016, Changing Faces worked with media champion Alex Barker on a social media campaign called #ServeAlex after a pub in Cornwall turned Alex away after mistaking his facial palsy for drunkenness. We encouraged venues across Cornwall to embrace 'Face Equality' and tweet to say that they'd be proud to #ServeAlex when he next visits the county. Alex then shared his story on the BBC Four documentary about disability hate crime, No Go Britain, in September 2016.

In November 2016, the BBC Victoria Derbyshire Show broadcast a 30-minute piece about face equality in schools. They filmed at Tetherdown School in North London and discussed the Implicit Attitudes Test and showed a face equality lesson being taught. Victoria interviewed James Partridge and two champions 'on the sofa'. This story was then picked up by other news outlets including BBC News online and CBBC Newsround.

In January 2017, Changing Faces helped a young man with Apert Syndrome who had been trolled on twitter after being made the subject of an offensive meme. The tweet was removed following our efforts and the account suspended. The story was covered in The Independent.

We also instigated a survey of what living with a disfigurement is like in 2017 which was answered by over 800 people and formed the basis for the very important *Disfigurement in the UK* report launched on Face Equality Day, 26th May 2017.

**Impact?** The scale of our efforts has grown significantly:

- Our social media audience grew to c 19,637 across all platforms (c 11,300 in 2015-16)
- Print and online reach of all news and magazine content was c.93 million worldwide

#### **A3.4. Pan-charity infrastructure: PR/Communications, Users and Operational Support** costing £329k; 18% of total expenditure (allocated across Charitable Activities)

**What is it? Why do we do it? What did we do?**

1. PR and Communications is vital to promote our cause and protect the reputation of the charity. We are pleased to report a continuing upswing in all our communications work as reported above and in ensuring that our website is up-to-date and fully engaging on all our activities. We achieved over 100 print/online articles in the year and over 175,000 unique website visitors. We were thrilled to win the Silver Award for a New Brand at the Third Sector Awards.
2. User and volunteer engagement: Our relationships with all our users is absolutely fundamental to Changing Faces because their views and experiences inform all we do. During 2016-17, we began the implementation of a new set of standards and processes for all our volunteers with a volunteer e-newsletter including opportunities, news on projects and seeking feedback. We have also set up the new Community of Users which we are looking to grow further in 2017-18.
3. Operational Support: Changing Faces employs a small team to ensure robust finance arrangements, efficient IT and HR practices, effective legal management and smart office administration. A "sprucing up" of the Squire Centre was successfully completed.

#### **A3.5. Income generation including fundraising**

Changing Faces continued to work very hard throughout the year to secure monies from all our main sources of donations and grants and through new arrangements to enable Changing Faces to secure funding for the services we provide for NHS patients. The Trustees set a cautious budget for income generation which saw £1.5m being raised in new funds.

##### **1. Contracts for NHS services**

Ever since the NHS reforms of April 2013 which required local contracting for all local services in England, it has proved exceedingly difficult for Changing Faces to recover the costs of our Skin Camouflage Service for the c. 3,300 NHS patients referred by GPs, dermatologists, plastic surgeons and other health professionals. This problem was drawn to the attention of Simon Stevens, CEO of NHS England during 2014-15 and we are grateful to him for his attention to the matter since then.

In 2015-16, after extensive negotiations, Changing Faces received a one-off grant of £150k in recognition that the Service in England was 'in distress' and liable to be decommissioned by default due to the contracting methods in operation. This helped towards the costs but was only c.50% of the funding required; some contracts at local level were sustained but the Service relied on other charitable funding for its viability.

In 2016-17, again with NHS England's support, we used a new method of funding the Service through an NHS Standard Contract (Shorter Form) with Tower Hamlets Clinical Commissioning Group (CCG) and invoicing 182 CCGs on a Non-Contract Activity basis. About 20 local Service Level Agreements were maintained with other CCGs and NHS Trusts. However, despite NHS England's belief that this new arrangement would yield the desired results, a number of issues resulted in slow payments. A short-term loan in recognition of the cash flow issues was provided by NHS England and subsequently repaid by Changing Faces within this financial year, but approximately £100k remained unpaid by CCGs at the year end. This has been brought to the attention of NHS England's top team and efforts are in hand to improve the process and payment response for 2017-18.

NHS contracts for the Skin Camouflage Service in Scotland, Wales and Northern Ireland have continued to be exceptionally difficult to secure. We continued to offer the Service in all three devolved nations relying on charitable trust and other funding but decided to close the clinics in the latter two devolved entities after 31<sup>st</sup> March 2017.

#### **2. Fees, consultancy etc for services**

Our consultancy and training work with employers, with NHS health professionals and those who wish to be trained as Skin Camouflage experts raised modest sums again as all these organisations experienced tight budgets where training was squeezed.

#### **3. Fund-raising**

Changing Faces focused its fund-raising energies in 2016-17 led by its Chief Executive on the three sources of funding that had yielded the highest return on investment in previous years:

- Bids to larger charitable trusts, the Lottery and Government bodies
- Donations from smaller charitable trusts, corporates and high-net worth individuals where relationships can be developed that will yield donations and support
- Special events like Galas led by celebrities.

We also made considerable efforts to attract individual donations and volunteer fund-raising (ie: volunteers doing challenge events/organising events).

The Chief Executive's partial absence to receive chemotherapy treatment in the last quarter of 2016-17 led Trustees to appoint an Interim Head of Fundraising in April 2017.

We have been delighted and very grateful indeed for the massive generosity of many individuals, companies and charitable foundations. The headlines were:

- Gala: our annual Gala in March 2017 was a 25th Birthday Party at the Bloomsbury Ballroom hosted by our Patrons, Rory Bremner and Jan Ravens to which over 200 people came. A Birthday Party atmosphere with party games was a great background for Rory and Jan to perform brilliantly funny sketches and impersonations of the new President of the United States, the British Prime Minister and many others. The evening included live and silent auctions at which guests bid very generously so that, after all costs, c.£90k was raised by the event. We thank very sincerely all performers, bidders and those who gave auction prizes.

Corporate support: We have been delighted by the support given by companies that chose Changing Faces as their Charity of the Year such as BMJ, Fieldfisher (£8,729), PwC's GIG team (£7,450), Taylor Wessing (£7,624), Volume Ltd and Block Solutions Ltd. The BMJ's staff team was also extremely helpful in relation to our annual staff survey, in helping us to source new office and IT kit and in providing pro bono support for development of our new online health training module.

We also thank Leo Pharma for their generous £10k grant for health professional training and Facebook for £10k's worth of free ads for the *Disfigurement in the UK* survey.

Challenge events: We were amazed by the huge sums raised by supporters who set out to raise money for Changing Faces by challenging themselves in 2016-17. The top fundraisers for the year were:

- David Hull: £6,054 (London Marathon)
- Phil Gorf: £5,857 (London Marathon)
- Bill Cooper: £5,043 (Hampton Half Marathon)
- Susie Bird and Nicola Owen (Aspire Fitness): £4,365 (Hadrian's Wall Walk)
- Ian and Will Saddington: £3,725 (Land's End to John O'Groats cycle ride)

## CHANGING FACES

### REPORT OF THE DIRECTORS AND TRUSTEES for the year ended 31st March 2017

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Individual donations: we stepped up our efforts to nurture donations from our supporters including through another Christmas appeal and much social media activity. Although the latter is still hard to use effectively, we have been delighted by the great generosity of many people.

Legacies: We are particularly grateful for legacies from:

- The Estate of Betty May Goble
- The Estate of Judith Johnson

Community fundraising: this has mainly involved our fundraisers in the Centres in Yorkshire and Scotland organising local events (like a Glasgow pub quiz, gift wrapping sessions and individual events), encouraging volunteer fundraising in challenge events (like the Percy Pud 10k run in Sheffield) and reaching local schools and companies (such as an RBS event on payroll giving).

Top fundraisers this year were:

- Jo Fowler and Rob Leach: £1,964 (Wedding reception gifts)
- The Grove Singers: £473 (Carol Singing at Charing Cross station)
- Quiz Night: £1,022 (with the aid of Fieldfisher staff attending and donating)
- Horringer Court Middle School: £1,065 (Charity of the Year)
- Harroddian School £3,000

Charitable trusts, statutory and Lottery grants: We made many bids for support and received positive responses from many foundations across the country with core and restricted donations. We are particularly grateful for gifts of £10,000 and over from:

- BBC Children in Need
- Big Lottery Fund (Scotland)
- Biss Davies Charitable Trust
- Clothworkers' Foundation
- The Peter Cundill Foundation
- Ellem Foundation
- Hobson Charity
- Garfield Weston Foundation
- John Ellerman Foundation
- Leathersellers' Company Charitable Fund
- Persula Foundation
- PF Charitable Trust
- Raisby Trust
- Hans and Märit Rausing Charitable Trust
- Rayne Foundation
- Sheffield Children's NHS Trust Foundation Hospital – Children's Charity
- John Swire 1989 Charitable Trust

**We wish to thank every single individual and institution who has supported Changing Faces in any way during the year. We assure them all that their gifts have been used very purposefully to create a better and fairer future for people with disfigurements.**

The Trustees are determined that Changing Faces' attempts to raise funds will be maintained and increased in 2017-18 and beyond.

#### **A3.6. Leadership**

The Chief Executive of Changing Faces, James Partridge, founded Changing Faces in May 1992 and has led it ever since. He agreed with Trustees in the spring of 2016 that it was important and timely to search for and appoint his successor in 2016-17 – and thereby pass the reins during the charity's 25th Anniversary year, 2017.

The Trustees have asked James to take responsibility for exploring a possible international role for Changing Faces and to report his conclusions to the management and Board of Trustees for

## CHANGING FACES

### REPORT OF THE DIRECTORS AND TRUSTEES for the year ended 31st March 2017

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decisions. This research project is expected to take 6-12 months and be funded by sources which would not fund the UK activity. His formal title will be Founder and Adviser.

Becky Hewitt joined as Chief Executive in September 2017.

#### **A4. Looking forward – our aspirations for 2017-18 and beyond**

Changing Faces is looking forward to 2017-18 with three main goals in mind:

1. To mark the charity's 25th Anniversary
2. To effect a smooth transition of leadership to Becky Hewitt
3. To continue our work in line with our strategic vision (see below) with especial emphasis on making the UK's first Face Equality Day in May 2017 a success.

Becky Hewitt is expected to conduct a review of the charity's strategy in her first six months.

#### **A5. Financial Review**

##### ***Commentary on the Accounts***

The Balance Sheet shows Unrestricted Funds of £1.26 million (2016: £1.39 million), including the value of the Squire Centre, purchased in 2004.

##### ***Income and Expenditure Account***

Our Unrestricted Funds show, after transfers, a deficit of £122k (2016: surplus of £80,457) and our Restricted Funds stand at £208k (2016: £152k). The Trustees are also able to declare that, going into 2017-18, the charity has pledges of £242,039 (compared with £299,893 at the start of 2016-17) all for projects rather than core income. The most notable features of the Income and Expenditure Account are:

##### ***Income***

- Total Income from donations and legacies increased by 10%, to £1.38k (2016: £1.25k).

##### ***Expenditure***

- Expenditure on our charitable activities decreased by some £132k, or 8% to £1.52k (2016: £1.65k).
- Fundraising costs increased to £342k (2016: £231k) largely due to increased investment in staffing, and increased costs for the Gala as less sponsorship was secured than in previous years.

##### ***The Balance Sheet***

- An overall reduction of £66k (4%) is shown in net assets.

##### ***Post Balance Sheet event***

In November 2017, the charity completed the surrender of its long lease-hold on 33-37 University Street and realised proceeds of £2.5 million after repayment of loans. A 3-year lease-back has been taken out, with a 30-month rent-free period. The proceeds of the transaction provide security of cash and the rent-free period gives time for careful consideration of options for future location and premises requirements in the light of decisions on the future strategy, staffing and activities of the charity.

##### ***Reserves Policy***

The Trustees of Changing Faces aim to manage the limited cash reserves of the charity carefully with the following principles in mind:

A target for free reserves has been set as 6 months of total expenditure which currently equates to £957k based on budgeted spend. The level of unrestricted reserves at 31<sup>st</sup> March 2017 is £1.26k,



## CHANGING FACES

### REPORT OF THE DIRECTORS AND TRUSTEES for the year ended 31st March 2017

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and the Trustees have chosen to designate all of these funds as a property fund to emphasise the investment that the charity has made in previous years in the fabric of its head office. The charity therefore has no free reserves at 31<sup>st</sup> March 2017.

As with many other charities, Changing Faces' costs are principally staff costs which are regular committed spend, as compared with its income which is a mixture of regular and volatile income streams. For this reason, on a day to day level the Trustees do not review 'free reserves', but consider the cash management of the charity. Cash flow projections and budgets are prepared regularly and reviewed by the Trustees to ensure that they are on target and sufficient to meet the operational needs of the charity. At the year-end cash reserves were £429k, and net current assets were £478k, which the trustees deem to be adequate.

#### ***Restricted Funds***

- The Restricted Funds available are to be used for purposes specified by the donors and should remain in cash form. These funds will be managed in approved Bank Accounts that enable them to be accessed quickly but also earn as high interest as possible.

#### ***Investment management***

- The Trustees will consider employing the expertise of an Investment Adviser once the unrestricted cash reserves of the charity reach an appropriate level.
- With the charity's cash reserves at their current level, all liquid assets are held in cash at UK regulated banks, including short-term High Interest Deposits, to allow for timely access.
- In view of the significantly increased cash assets following the sale of the property, professional advice will be taken.

## **A6. The Governance of Changing Faces**

### ***Administrative details***

Changing Faces is a Registered Charity (No: 1011222), a charity registered in Scotland (No: SC039725), a Company Limited by Guarantee (No: 02710440), registered in England and Wales. It has no share capital. The liability of members in the event of a winding up is limited to £1. The members are the Trustees and Directors of the Charity.

### ***The legal objects of the charity***

The objects of the charity, as set out in the Memorandum and Articles of Association, are as follows:

1. To help those who suffer from facial or other disfigurement to overcome social, physical, psychological, emotional disadvantage by way of counselling and training in social skills
2. To promote knowledge of the special problems associated with disfigurement through all types of educational medium
3. To provide training and assistance to those who are in contact with disfigured people whether socially as relatives or friends or at work or in the course of specific professional contact or healthcare support generally.

### ***Trustees and Directors***

The following Trustees/Directors served between 1st April 2016 and 14th December 2017. Brief biographical information on current Trustees is available at <https://www.changingfaces.org.uk/about-us/who-we-are/trustees>

David Clayton (Chairman) \* \*\*\*

Mark Landon (Company Secretary and Deputy Chairman) \*

David Rough (Hon Treasurer) \*\* \*\*\*

Dr Richard Castle \*

Prof Tony Cline

Pieter Folmer \*\*

Dr Mary Glover \*

Susan Harrison

to 22<sup>nd</sup> November 2016

## CHANGING FACES

### REPORT OF THE DIRECTORS AND TRUSTEES for the year ended 31st March 2017

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Victoria Hunt  
Dr Felicity Mehendale to 5<sup>th</sup> August 2016  
Mike Okninski \*\* \*\*\* to 22<sup>nd</sup> November 2016  
Nicola Sawford (Chair, Audit Committee) \*\* \*\*\*  
His Honour Judge Paul Thomas QC  
Chris Walker FRCS

#### Members of Board Committees:

\* Nominations Committee  
\*\* Audit Committee  
\*\*\* Finance Committee

#### **Registered Office and principal address**

Changing Faces, The Squire Centre, 33-37 University Street, London WC1E 6JN

#### **Solicitors**

Stone King LLP, Boundary House, 91 Charterhouse Street, London EC1M 6HR

#### **Auditor**

haysmacintyre, 26 Red Lion Square, London WC1R 4AG

#### **Bankers**

Lloyds Bank plc, Law Courts, PO Box 1000, BX1 1LT

#### **Patrons and Advisers**

Changing Faces invites well-known, respected people to be Patrons. They do not have any decision-making powers but receive regular reports about the charity's work. They are:

Sir Christopher Benson  
Rory Bremner  
Michelle Dockery  
Lord Fellowes of West Stafford  
Jan Ravens  
William Simons Until July 2017  
Fiona Squire  
Simon Weston OBE  
Benjamin Zephaniah

The Trustees are advised and supported in their work by an Advisory Panel composed of a multi-disciplinary group of experts, professionals, parents and people with disfigurements which has no decision-making powers. A community of users of all ages, formerly constituted as the Users' and Young People's Councils, also advise and guide the charity's strategy and activities.

#### **Governance**

Changing Faces believes that the overall principle that should guide the governance of the charity is that: "each level of management should take decisions for which they are accountable and should not take decisions which are properly the decisions of the next level".

The following sections from the Governance and Management Manual make explicit where decisions are made and where accountability lies. In particular, the Trustees who are responsible for the overall governance of the charity are required to make decisions on the following:

#### **Statutory Matters**

- Approval of Annual Report and Financial Statements

## **CHANGING FACES**

### **REPORT OF THE DIRECTORS AND TRUSTEES for the year ended 31st March 2017**

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- Remuneration of the auditors and any recommendations as to the appointment or removal of auditors
- Approval of resolutions and corresponding documentation to be put to members at the AGM

#### **Board**

- Terms of reference of Board Committees
- Role specifications of the Chair, Hon Treasurer, Hon Secretary and Chair of the Audit Committee
- Approval of the terms and conditions of the Chief Executive
- Appointment or removal of Chair, Treasurer, Secretary and Trustees.

#### **General and Financial Management Matters**

- Approval of strategy
- Approval of annual budgets, staff numbers and overall pay rates
- Approval of changes to the management and control structure
- Review of risk management arrangements
- Review of overall governance arrangements
- Approval of rules (and revisions thereto) relating to approval authorities for:
  - capital expenditure
  - major programmes/material contracts
  - financial guarantees and comfort letters
- Approval of financial and investment policies
- Approval of the principal terms of borrowing agreements
- The granting of legal charges over any asset.

#### **Miscellaneous Matters**

- Adoption of, and changes to, pension arrangements
- Approval of health and safety policies and all other policies relating to information governance, equal opportunities, confidentiality, child protection, grievance etc
- Approval of changes in professional advisers to the charity.

#### **Board Committees**

There are three Committees of the Board:

- The Nominations Committee, consisting of up to four Trustees, was established in April 2007. It is responsible for ensuring there is an appropriate range of expertise amongst the Trustees, and for making recommendations to the Board on the recruitment of Trustees. During the year it led the recruitment of the new Chief Executive. It meets at least once a year, and six times in the year under review.
- The Audit Committee, consisting of up to four Trustees, was established in March 2008. It is responsible for examining and reviewing, with the auditors, the adequacy of Changing Faces' accounting, financing and operating controls and ensuring all statutory and regulatory requirements are met, making recommendations to the Board relating to the charity's accounts. It meets at least twice a year, normally once to review the audited accounts prior to submission to the Board, and once for an in-depth consideration of internal audit matters and risk management. In the year under review it met three times.
- The Finance Committee, consisting of up to four Trustees, was established in December 2012 initially as an informal group, meeting regularly to support the Treasurer, and was formally constituted as a Board Committee in May 2016. It meets at least six times a year, prior to each Board meeting, and normally monthly. In the year under review it met 12 times.

#### **Recruitment, Induction and Training of Trustees**

The Nominations Committee regularly reviews the skills, experience and interests of the Trustees. Candidates with appropriate experience are sought through wide networks and open invitation to apply to fill the vacancies on the Board.

## **CHANGING FACES**

### **REPORT OF THE DIRECTORS AND TRUSTEES for the year ended 31st March 2017**

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New Trustees are provided with a formal induction programme incorporating the opportunity to meet key staff, and an induction pack of documentation such as the charity's constitution, recent Annual Reports and Accounts, recent Board minutes and current Strategic Plan. Opportunities for training are made known to Trustees, and budget is provided for this purpose.

#### ***Management***

The following terms of reference apply to management:

- CEO: responsible for the overall management of the charity, ensuring all programmes are effectively resourced and appropriately co-ordinated. Accountable to the Trustees.
- Management Team (all Heads of Teams): collectively responsible for managing the charity including communicating to the whole Team. Led by and accountable to the CEO.
- The Wider Management Team (WMT): responsible for assisting the MT with the operational management and delivery of the charity's affairs. Led by and accountable to the CEO.
- Heads of Programmes/Teams: responsible for the development, direction and management of their Programmes. Accountable to the CEO.
- Staff Team: responsible for carrying out the activities of their Programme as defined by their individual Operational Plans and their job descriptions. Accountable to Head of Programme/Team.
- Project Managers: staff with project management responsibilities are delegated budgets for their projects and an agreed level of decision-making. Accountable to Head of Programme/Team.

#### ***Structure***

The organisational structure as at 1st April 2017 is shown in Annex 1.

#### ***Remuneration of key management personnel***

The charity's Salary Policy is subject to annual review, and sets out the parameters for remuneration for all employees. Changing Faces seeks to set its salary levels for paid staff by reference to market rates relevant to the nature of the work of its staff, within the context of a voluntary sector organisation supporting and promoting the interests of people with disfigurements. The Charity is committed to empathy, professionalism, equal opportunities, empowerment and integrity.

The Policy incorporates a statement of commitment to paying at least the London Living Wage for staff based in London, and at least the UK Living Wage for those based out of London. The Policy also incorporates a statement of commitment to a pay ratio of not more than a multiple of four for the highest paid compared with the median salary, annualised for full-time equivalents, which, at 31 March 2017, was £28,200.

Salary Scales are subject to annual review in light of the charity's financial position.

#### ***Management of risk***

- During 2016-17, management and Trustees undertook a full review of the Risk Register, using the template developed by NCVO.
- The Trustees undertook a full assessment of risk appetite for each of the major areas of risk identified on the Risk Register.
- The Trustees have monitored the Risk Assessment and Management of the principal areas of the charity's operations and considered what needed to be done to manage the major risks that may arise, including with respect of adverse publicity.
- The CEO's report to each Board meeting incorporates an assessment and commentary on the risks identified including emerging issues and their management.
- In the opinion of the Trustees, Changing Faces has the resources and systems in place that, under normal conditions, should allow the risks identified by them to be mitigated to an acceptable level in its day-to-day operations.

- As an integral part of risk management, management review annually all the policies affecting the operation of Changing Faces (eg: re information governance, health and safety, equal opportunities, confidentiality etc), with any substantive changes subject to Board approval.
- Key risks, and the charity's mitigation of these risks, include:
  - Financial risks – the challenging economic climate continues to cause pressure on income generation and fundraising targets, and some income streams are vulnerable to economic turmoil. Mitigation includes:
    - Fundraising progress is monitored on a monthly basis
    - Financial updates and cash flow are prepared and monitored monthly
    - The Finance Committee reviews management accounts prior to presentation to the Board
    - During 2016-17 the Finance Committee has reviewed detailed cash flow reports on a monthly basis
  - Clinical governance – providing direct services to clients requires robust quality frameworks and Standard Operating Procedures and ongoing work to embed, review and refresh these. Mitigation includes:
    - There is a programme in place of induction and ongoing refresher training for all staff working with clients
    - There is a programme in place of induction and ongoing annual refresher training for the volunteer Skin Camouflage Practitioners
    - All staff and volunteers receive refresher training on safeguarding matters, as appropriate to their role.
  - Information governance – ensuring that personal data is stored and handled securely. Mitigation includes:
    - The Information Governance Group, chaired by the CEO, meets monthly and reports to each Board meeting
    - Changing Faces completes and is appropriately compliant with the Health and Social Care Information Centre (HSCIC) Information Governance Toolkit
    - All staff and volunteers receive refresher training on information governance matters
    - A small group is leading on preparations for the implementation of the GDPR in May 2018
  - Reputational risk – ensuring the reputation of the charity is safeguarded especially in media and social media. Mitigation includes:
    - The Reputation Management Policy is regularly reviewed to ensure appropriate control over external statements and messaging
  - Personnel risk – ensuring staff welfare, workload and morale is regularly considered and mitigating actions taken. Mitigation includes:
    - The Annual Staff Survey provides an opportunity in addition to regular line management meetings, for issues to be raised. The survey is anonymous and the findings analysed independently.
    - The Chair, usually accompanied by one or more Trustees, presents to the staff team shortly after each Board meeting, providing a forum for issues to be raised and discussed.

#### **Public Benefit**

- We believe the charity has fully met the requirement to provide benefit to the public and have paid due regard to Charity Commission guidance on this matter. We believe that our services are widely publicised and available to all who would benefit. Please refer to details in section A3, Achievements and Performance.

#### **A7: Statement of Trustees' Responsibilities**

The Trustees (who are also the directors of Changing Faces for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time the report is approved:

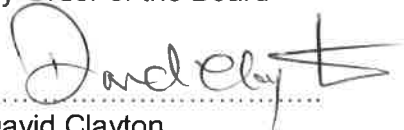
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

As Directors we also confirm that we have made all necessary enquiries and taken such steps that we ought to, to ensure that we become aware of any relevant audit information and that we confirm that the charitable company's auditors have been made aware of such information.

#### **Auditors**

A resolution will be proposed at the next General Meeting of Members that haysmacintyre be re-appointed as auditors to the company for the ensuing year.

By Order of the Board



David Clayton  
Chair of Trustees

14th December 2017

## B. Report of the Auditor

We have audited the financial statements of Changing Faces for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 23, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed auditor under the Companies Act 2006 and section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Trustees' Report (which incorporates the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Report (which incorporates the directors' report) has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

## CHANGING FACES

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS/TRUSTEES OF CHANGING FACES

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- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Report or the requirement to prepare a Strategic Report.



Richard Weaver (Senior statutory auditor)  
for and on behalf of haysmacintyre, Statutory Auditor

26 Red Lion Square  
London  
WC1R 4AG

14 December 2017



# CHANGING FACES

Company limited by guarantee

Registered Company No: 02710440

## STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31st March 2017

(Incorporating an Income and Expenditure account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
<b>Income from</b>					
Donations and legacies		860,649	514,611	1,375,260	1,246,326
Charitable activities		275,983	-	275,983	341,174
Other trading activities		135,006	145	135,151	142,657
Investments		2,582	-	2,582	594
Other	3	3,808	-	3,808	117,277
<b>Total</b>		<b>1,278,028</b>	<b>514,756</b>	<b>1,792,784</b>	<b>1,848,028</b>
<b>Expenditure on</b>					
Raising funds		317,836	24,133	341,969	231,020
Charitable activities		1,082,008	434,882	1,516,890	1,649,321
<b>Total</b>	4	<b>1,399,844</b>	<b>459,015</b>	<b>1,858,859</b>	<b>1,880,341</b>
<b>Net income/(expenditure)</b>		<b>(121,816)</b>	<b>55,741</b>	<b>(66,075)</b>	<b>(32,313)</b>
<b>Net movement in funds</b>	5	<b>(121,816)</b>	<b>55,741</b>	<b>(66,075)</b>	<b>(32,313)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		1,385,925	151,894	1,537,819	1,570,132
<b>Total funds carried forward</b>		<b>1,264,109</b>	<b>207,635</b>	<b>1,471,744</b>	<b>1,537,819</b>

All amounts relate to continuing activities. All recognised gains and losses are included in the income and expenditure account. The accompanying notes form part of these financial statements.

# CHANGING FACES

Company limited by guarantee

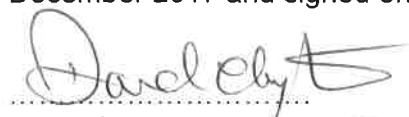
Registered Company No: 02710440

## BALANCE SHEET as at 31st March 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	7	1,422,616		1,437,858	
Total fixed assets			1,422,616		1,457,858
Current assets					
Stock	8	288		457	
Debtors and prepayments	9	269,409		158,485	
Cash at bank and in hand		429,304		667,014	
<b>Total current assets</b>		<b>699,001</b>		<b>825,956</b>	
Liabilities					
Creditors: amounts falling due within one year	10	(221,424)		(208,917)	
Net current assets			477,577		617,039
Total assets less current liabilities			1,900,193		2,054,897
Creditors: amounts falling due after more than one year	11		(428,449)		(517,078)
<b>Total net assets</b>			<b>1,471,744</b>		<b>1,537,819</b>
Restricted income funds	13		207,635		151,894
Unrestricted funds:	13				
Designated funds	13	1,264,109		1,305,468	
Free reserves	13	-		80,457	
	13		1,264,109		1,385,925
<b>Total funds</b>			<b>1,471,744</b>		<b>1,537,819</b>

For a full analysis of the make-up of the reserves of £1,471,744 please refer to Note 13 of these accounts and the reserves policy detailed on page 16.

The financial statements were approved by the Board of Trustees and authorised for issue on 14<sup>th</sup> December 2017 and signed on their behalf by:



David Clayton  
Chair of Trustees



David Rough  
Honorary Treasurer

The accompanying notes form part of these financial statements.

# CHANGING FACES

Company limited by guarantee

Registered Company No: 02710440

## STATEMENT OF CASH FLOWS

	2017 £	2017 £	2016 £	2016 £
<b>Cash Flows from operating activities:</b>				
Net cash provided by/(used in) operating activities		(223,105)		192,568
<b>Cash flows from investing activities:</b>				
Bank interest received	2,582		594	
Payments to acquire tangible fixed assets	(4,304)		(791)	
Net cash provided by/(used in) investing activities		(1,722)		(197)
<b>Cash flows from financing activities:</b>				
Cash inflows from new borrowing	-		-	
Repayments of borrowing	(12,883)		(12,195)	
Net cash provided by/(used in) financing activities		(12,883)		(12,195)
Change in cash and cash equivalents in the reporting period		(237,710)		180,176
Cash and cash equivalents at the beginning of the reporting period		667,014		486,838
Cash and cash equivalents at the end of the reporting period		429,304		667,014
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>				
	2017 £		2016 £	
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)		(66,075)		(32,313)
Adjustments for:				
Depreciation charges		19,546		19,839
Bank interest received		(2,582)		(594)
Loss on the sale of fixed assets		-		394
(Increase)/decrease in stock		169		1,106
Increase)/decrease in debtors and prepayments		(110,924)		(42,132)
Increase/(decrease) in creditors		(63,239)		246,268
Net cash provided by/(used in) operating activities		(223,105)		192,568
<b>Analysis of cash and cash equivalents</b>				
	2017 £		2016 £	
Cash at bank and in hand		429,304		667,014

## C. Notes to the Financial Statements

### 1. ACCOUNTING POLICIES

#### **Basis of Preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Changing Faces meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

#### **Going Concern**

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives trustees confidence the Charity remains a going concern for the foreseeable future.

#### **Income**

All income is recognised once the Charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

#### **Donations and legacies**

Donations income is accounted where there is entitlement, probability and is measurable. For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate.

#### **Grants**

Grants are accounted for as income when they are receivable. Where the grant making body specifies that amounts given should be utilised in a future accounting period, the income is deferred to that period. If certain conditions have to be fulfilled before the charity becomes entitled to the use of the grant, then the income is deferred until such conditions have been met.

#### **Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Raising funds are those costs incurred to raise donations and legacies and costs of trading activities. Charitable activities relates to costs incurred in delivering the charity's activities and services to its beneficiaries. Governance costs are those associated with incurred in meeting the constitutional and statutory requirements and is now apportioned on the same basis as support costs.

#### **Donated Assets**

Donated assets are capitalised at a value equivalent to market value as at the date of donation.

#### **Cost Apportionment**

A proportion of staff and indirect costs are attributed to activities on the following bases:

Staff	-	actual costs or level of activity engaged by staff
Indirect costs	-	level of activity engaged by staff

#### **Leases**

Rentals under operating leases are charged to the income and expenditure account as incurred.

#### **Depreciation of Tangible Fixed Assets**

Depreciation is provided on all tangible fixed assets so as to write them off over their anticipated useful lives at the following annual rates on a straight line basis:

Leasehold property	-	Over duration of lease
Office equipment	-	25%
Office furniture	-	20%
Computer equipment	-	25%

The leasehold property is held on a 105 year lease commencing from November 2004.

Additions to fixed assets costing less than £500, and those acquired from restricted income funds are written off in the year.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value.

#### **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments.

#### **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### **Fund Accounting**

**Restricted Funds:** The purpose and use of restricted funds are imposed by the donor or by the specific terms of the charity appeal.

**Unrestricted Funds:** These are funds available for use at the discretion of the Trustees in furtherance of the objectives of the charity. These include funds which have been designated by the Trustees for anticipated use on specific projects.

#### **Pensions**

The company operates a defined contribution pension scheme on behalf of its staff. Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme.

#### **Employee benefits**

**Short term benefits:** Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits: Termination benefits are accounted for on an accrual basis and in line with FRS 102.

#### **Taxation**

No provision has been made for taxation as the company's charitable status renders it exempt from UK direct taxation.

#### **Financial instruments**

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

##### *Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

##### *Debtors and creditors*

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

##### *Bank borrowings*

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

#### **Significant judgments and sources estimation uncertainty**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. The key judgement that has been applied by management relates to:

- NHS invoicing: it has been judged that invoices issued in September/October 2016 will be paid after the year-end, when Reconciliation Statements and data of actual client numbers are issued

## **2. STATUS**

The company is limited by guarantee and has no share capital. The liability of members in the event of a winding up is limited to £1. The members are the Trustees of the charity.

## **3. OTHER INCOME**

In 2015-16, £110,000 was received from University College London Hospital NHS Foundation Trust in consideration of the release of Rights to Light further to the development of property adjoining Changing Faces' premises.

## CHANGING FACES

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2017

#### 4.a ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Other £	Total 2017 £	Total 2016 £
<b>Charitable Activities</b>				
Changing Lives - London				
Client work – Adults and Children and Young People	162,939	87,079	250,018	236,972
Health Training	42,364	9,955	52,319	72,484
Health Advocacy	65,859	22,059	87,918	66,226
Local Services and Influence				
Local Services	392,216	202,762	594,978	857,761
Skin Camouflage Service	201,504	131,548	333,052	230,177
Changing Minds				
Education	51,517	12,435	63,952	74,929
Employment	45,584	10,891	56,475	57,222
Public Attitudes	43,693	22,485	66,178	31,174
PR and Communications				
PR and Communications	-	12,000	12,000	22,376
	1,005,676	511,214	1,516,890	1,649,321
<b>Cost of raising funds</b>				
Fundraising	214,118	127,851	341,969	231,020
<b>Total</b>	<b>1,219,794</b>	<b>639,065</b>	<b>1,858,859</b>	<b>1,880,341</b>

#### 4.b DIRECT AND SUPPORT COSTS

	Direct costs £	Support costs £	Total 2017 £	Total 2016 £
<b>Charitable Activities</b>				
Changing Lives - London				
Client work – Adults and Children and Young People	204,217	45,801	250,018	236,972
Health Training	40,467	11,852	52,319	72,484
Health Advocacy	69,317	18,601	87,918	66,226
Local Services and Influence				
Local Services	485,921	109,057	594,978	857,761
Skin Camouflage Service	274,670	58,382	333,052	230,177
Changing Minds				
Education	49,489	14,463	63,952	74,929
Employment	43,327	13,148	56,475	57,221
Public Attitudes	53,963	12,215	66,178	31,175
PR and Communications				
PR and Communications	12,000	-	12,000	22,376
	1,233,371	283,519	1,516,890	1,649,321
<b>Cost of generating funds</b>				
Fundraising	281,820	60,149	341,969	231,020
<b>Total</b>	<b>1,515,191</b>	<b>343,668</b>	<b>1,858,859</b>	<b>1,880,341</b>

## CHANGING FACES

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2017

#### 4.c SUPPORT COSTS ALLOCATION

	Office costs £	Finance and IT £	Premises £	Total 2017 £	Total 2016 £
<b>Charitable Activities</b>					
Changing Lives - London					
Client work – Adults and Children and Young People	27,806	10,281	7,714	45,801	37,336
Health Training	7,196	2,660	1,996	11,852	13,792
Health Advocacy	11,292	4,176	3,133	18,601	11,897
Local Services and Influence					
Local Services	78,634	14,509	15,914	109,057	138,888
Skin Camouflage Service	35,444	13,105	9,833	58,382	33,486
Changing Minds					
Education	8,780	3,247	2,436	14,463	14,261
Employment	7,982	2,952	2,214	13,148	10,808
Public Attitudes	7,758	2,742	1,715	12,215	5,842
	184,892	53,672	44,955	283,519	266,310
<b>Cost of generating funds</b>					
Fundraising	36,517	13,502	10,130	60,149	32,865
<b>Total</b>	221,409	67,174	55,085	343,668	299,175

Included in the above are Governance costs of £23,247 (2016: £23,760).

#### 5. RESULT FOR THE YEAR

	2017 £	2016 £
<b>The result for the year is stated after charging:</b>		
Auditor's remuneration - audit		
Current year	9,240	9,600
Prior year	-	600
Depreciation of fixed assets	19,546	19,839
Operating leases – other	2,538	2,862

#### 6. EMPLOYEES

	2017 £	2016 £
Wages and salaries	1,073,643	1,138,262
Social security costs	98,615	100,432
Pension costs	52,643	46,063
Redundancy costs	6,892	31,366
	1,231,793	1,316,123

Total remuneration of key management personnel, being the current four members of the Management Team, for the year was: £268,287 (2016: £286,348).

The average number of people (full time equivalent) employed by the company during the year was as follows:

	2017 No.	2016 No.
London HQ Changing Lives	5.5	6.5
Local Services and Influence	17.5	19.0
Changing Minds	2.5	3.0
PR and Communications	2.5	2.0
Fundraising	4.5	3.0
	32.5	33.5



## CHANGING FACES

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2017

The average number of staff employed during the year was as follows:

2017 No.	2016 No.
40.0	43.0

The number of employees whose emoluments exceeded £60,000 per annum was:

	2017	2016
£80,000 - £90,000	1	1

None of the Trustees received any emoluments in the year (2016: none).

One Trustee received reimbursement of expenses during the year totalling £427 (2016: nil).

## 7. TANGIBLE ASSETS

	Leasehold Premises £	Office Furniture £	Office Equipment £	Computer Equipment £	Total £
<b>COST</b>					
At 1 <sup>st</sup> April 2016	1,599,566	17,033	25,409	75,513	1,717,521
Additions	-	-	4,304	-	4,304
Disposals	-	(9,061)	(5,163)	(35,038)	(49,262)
At 31 <sup>st</sup> March 2017	1,599,566	7,972	24,550	40,474	1,672,562
<b>DEPRECIATION</b>					
At 1st April 2016	167,574	16,625	25,409	70,055	279,663
Charge for the year	15,234	136	1,076	3,101	19,546
Disposals	-	(9,061)	(5,163)	(35,039)	(49,263)
At 31 <sup>st</sup> March 2017	182,808	7,699	21,322	38,117	249,946
<b>NET BOOK VALUE</b>					
At 31 <sup>st</sup> March 2017	1,416,758	273	3,228	2,357	1,422,616
At 31 <sup>st</sup> March 2016	1,431,992	408	-	5,458	1,437,858

90% of the charity's assets are used for direct charitable purposes and 10% for fundraising and administration purposes.

As at 31<sup>st</sup> March 2017, a legal charge is held over the leasehold property as security over the bank loan provided by Lloyds Bank (see Note 12). The charge was discharged with the surrender of the lease on 7<sup>th</sup> November 2017.

## 8. STOCKS

	2017 £	2016 £
Stocks of booklets and publications	288	457

Stocks are recognised to the extent booklets and publications are to be sold in 2017-2018. When these items are indicated as to be distributed free they have been included in the amount for prepayments.

## CHANGING FACES

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2017

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#### 9. DEBTORS

	2017	2016
	£	£
Trade debtors	156,129	62,619
Other debtors	19,685	72,644
Prepayments and accrued income	93,595	23,222
	<u>269,409</u>	<u>158,485</u>

#### 10. CREDITORS: Amounts due within one year

	2017	2016
	£	£
Bank loan (Note 12)	13,455	12,883
Trade creditors	77,572	43,151
Accruals and deferred income	98,066	119,444
Employer pension contributions	6,403	6,670
Other taxes and social security	25,928	26,769
	<u>221,424</u>	<u>208,917</u>

#### 11. CREDITORS: Amounts due after more than one year

	2017	2016
	£	£
Bank loan (Note 12)	353,449	367,078
Deferred income	75,000	150,000
	<u>428,449</u>	<u>517,078</u>

#### 12. BANK LOAN

	2017	2016
	£	£
Due within one to two years	14,312	13,455
Due within two to five years	47,395	45,101
Due after more than five years	<u>291,742</u>	<u>308,522</u>
Due after more than one year	353,449	367,078
Due within one year (Note 10)	<u>13,455</u>	<u>12,883</u>
	<u>366,904</u>	<u>379,961</u>

As at 31<sup>st</sup> March 2017 the loan is secured by a first legal charge over the leasehold land and buildings at The Squire Centre, 33-37 University Street, London WC1E 6JN and an unlimited debenture held by Lloyds Bank plc at a fixed rate of interest of 5.09% with the final payment due on 24<sup>th</sup> July 2034. The charge and the debenture were discharged with the surrender of the lease on 7<sup>th</sup> November 2017.

## CHANGING FACES

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2017

#### 13. FUNDS

	Unrestricted funds £	Restricted funds £	Total £
Balance at 1 <sup>st</sup> April 2016	1,385,925	151,894	1,537,819
Net incoming/(outgoing) resources before transfers	(121,816)	55,741	(66,075)
Transfer between funds	-	-	-
Balance at 31 <sup>st</sup> March 2017	1,264,109	207,635	1,471,744
<b>Analysis of net assets between funds</b>			
Tangible fixed assets	1,422,616	-	1,422,616
Net current assets	269,942	207,635	477,577
Long term liabilities	(428,449)	-	(428,449)
	1,264,109	207,635	1,471,744

The restricted funds of the charity comprise:

	At 1 April 2016 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2017 £
<b>London HQ Changing Lives</b>					
CF Practitioner Service	-	45,000	(45,000)	-	-
NHS pilot projects for Changing Faces Practitioners	55,833	12,500	(48,155)	-	20,178
Children and Young People's Service	3,000	-	(3,000)	-	-
Health Professionals Training	-	10,000	(-)	-	10,000
<b>Local Services and Influence</b>					
Yorkshire and the Humber Centre	4,377	37,310	(35,747)	-	5,940
CF Practitioner Service	-	30,000	(30,000)	-	-
CF Practitioner in Yorkshire and the Humber – BBC Children in Need	166	20,553	(20,719)	-	-
CF Practitioner – Sheffield Children's Hospital	-	10,125	(10,125)	-	-
Scotland	2,440	14,676	(16,818)	-	298
Scotland Centre – Big Lottery Fund	70,584	81,472	(73,909)	-	78,147
Scotland Centre – Changing Lives	-	20,000	(13,548)	-	6,452
Skin Camouflage Service in Scotland	2,655	5,620	(3,887)	-	4,388
Northern Ireland	3,828	-	(3,828)	-	-
England regions	5,750	7,500	(13,250)	-	-
Skin Camouflage Service	500	-	(500)	-	-
Skin Camouflage Service training	102	30,000	(30,102)	-	-
<b>Changing Minds</b>					
Health Advocacy programme	2,659	-	(2,659)	-	-
Public Attitudes Advocacy programme	-	175,000	(92,768)	-	82,232
<b>Premises</b>					
Squire Centre decoration and improvements	-	15,000	(15,000)	-	-
	151,894	514,756	(459,015)	-	207,635

The detailed movements on reserves for the comparative period were contained in the prior year accounts, which are available to view on the Charity Commission website at  
[http://apps.charitycommission.gov.uk/Accounts/Ends22/0001011222\\_AC\\_20160331\\_E\\_C.pdf](http://apps.charitycommission.gov.uk/Accounts/Ends22/0001011222_AC_20160331_E_C.pdf)

## CHANGING FACES

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2017

The unrestricted funds of the charity comprise:

	At 1 April 2016	Transfers between funds	At 31 March 2017
	£	£	£
Fixed Assets	1,305,468	(41,359)	1,264,109
Designated funds	1,305,468	(41,359)	1,264,109
Free reserves	80,457	(80,457)	-
Unrestricted funds	1,385,925	(121,816)	1,264,109

#### 14. COMMITMENTS UNDER OPERATING LEASES

As at 31st March 2017, the company had annual commitments under non-cancellable operating leases as set out below:

	2017 £	2016 £
Operating lease payments due:		
Within one year	2,430	2,399
In one to two years	2,399	2,300
In two to five years	3,127	5,526
	<u>7,956</u>	<u>10,324</u>

#### 15. PENSIONS

The company operates a defined contribution scheme in respect of salaried employees. Contributions are charged in the accounts as incurred and there were no outstanding or proposed contributions as at the balance sheet date. Pension costs charged in the year were £52,643 (2016: £46,063).

#### 16. RELATED PARTY TRANSACTIONS

No payments were made to related parties.

Trustees donated a total of £26,615 (2016: £26,975).

## CHANGING FACES

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2017

#### 17. 2016 comparatives

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
<b>Income from</b>			
Donations and legacies	834,526	411,800	1,246,326
Charitable activities	341,174	-	341,174
Other trading activities	142,657	-	142,657
Investments	594	-	594
Other	116,853	424	117,277
<b>Total</b>	<b>1,435,804</b>	<b>412,224</b>	<b>1,848,028</b>
<b>Expenditure on</b>			
Raising funds	231,020	-	231,020
Charitable activities	1,124,327	524,994	1,649,321
<b>Total</b>	<b>1,355,347</b>	<b>524,994</b>	<b>1,880,341</b>
Net income/(expenditure)	80,457	(112,770)	(32,313)
Net movement in funds	80,457	(112,770)	(32,313)
<b>Reconciliation of funds:</b>			
Total funds brought forward	1,305,468	264,664	1,570,132
<b>Total funds carried forward</b>	<b>1,385,925</b>	<b>151,894</b>	<b>1,537,819</b>

# ANNEX 1 – Organisational chart, April 2017

